

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 62, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 2-3.5-5-3, AS AMENDED BY P.L.195-1999,
- 4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2000]: Sec. 3. (a) The PERF board shall establish alternative
- 6 investment programs within the fund, based on the following
- 7 requirements:
- 8 (1) The PERF board shall maintain at least one (1) alternative
- 9 investment program that is an indexed stock fund and one (1)
- 10 alternative investment program that is a bond fund.
- 11 (2) The programs should represent a variety of investment
- 12 objectives.
- 13 (3) The programs may not permit a member to withdraw money
- 14 from the member's account, except as provided in section 6 of this
- 15 chapter.
- 16 (4) All administrative costs of each alternative program shall be
- 17 paid from the earnings on that program.
- 18 (5) A valuation of each member's account must be completed as
- 19 of the last day of each quarter.
- 20 (b) A member shall direct the allocation of the amount credited to
- 21 the member among the available alternative investment funds, subject

1 to the following conditions:

2 (1) A member may make a selection or change an existing
3 selection at any time, but not more than one (1) time in a twelve
4 (12) month period.

5 (2) The PERF board shall implement the member's selection
6 beginning the first day of the next calendar quarter that begins at
7 least thirty (30) days after the selection is received by the PERF
8 board. This date is the effective date of the member's selection.

9 (3) A member may select any combination of the available
10 investment funds, in ten percent (10%) increments.

11 (4) A member's selection remains in effect until a new selection
12 is made.

13 (5) On the effective date of a member's selection, the board shall
14 reallocate the member's existing balance or balances in
15 accordance with the member's direction, based on the market
16 value on the effective date.

17 (6) If a member does not make an investment selection of the
18 alternative investment programs, the member's account shall be
19 invested in the ~~bond~~ **PERF board's general investment** fund.

20 (7) All contributions to the member's account shall be allocated
21 as of the last day of the quarter in which the contributions are
22 received in accordance with the member's most recent effective
23 direction. The PERF board shall not reallocate the member's
24 account at any other time.

25 (c) When a member transfers the amount credited to the member
26 from one (1) alternative investment program to another alternative
27 investment program, the amount credited to the member shall be
28 valued at the market value of the member's investment, as of the day
29 before the effective date of the member's selection. When a member
30 retires, becomes disabled, dies, or withdraws from the fund, the amount
31 credited to the member shall be the market value of the member's
32 investment as of the last day of the quarter preceding the member's
33 distribution or annuitization at retirement, disability, death, or
34 withdrawal, plus contributions received after that date.

35 (d) The PERF board shall determine the value of each alternative
36 program in the defined contribution fund, as of the last day of each
37 calendar quarter, as follows:

38 (1) The market value shall exclude the employer contributions

- 1 and employee contributions received during the quarter ending on
- 2 the current allocation date.
- 3 (2) The market value as of the immediately preceding quarter end
- 4 date shall include the employer contributions and employee
- 5 contributions received during that preceding quarter.
- 6 (3) The market value as of the immediately preceding quarter end
- 7 date shall exclude benefits paid from the fund during the quarter
- 8 ending on the current quarter end date."
- 9 Page 2, line 11, delete "becomes" and insert "**became**".
- 10 Page 2, line 27, delete "For" and insert "**Except as otherwise**
- 11 **provided in this subsection, for**".
- 12 Page 3, line 24, delete "For" and insert "**Except as otherwise**
- 13 **provided in this subsection, for**".
- 14 Page 4, line 37, delete "finding of" and insert "**recommendation to**
- 15 **the 1977 fund advisory committee concerning**".
- 16 Page 4, line 42, delete "finding" and insert "**recommendation**".
- 17 Page 5, line 3, delete "finding" and insert "**recommendation**".
- 18 Page 5, line 4, delete "findings" and insert "**recommendation**".
- 19 Page 5, line 17, delete "finding" and insert "**recommendation**".
- 20 Page 5, line 26, delete "dies" and insert "**died**".
- 21 Page 5, line 34, delete "To" and insert "**Except as otherwise**
- 22 **provided in this subdivision, to**".
- 23 Page 6, line 7, delete "A" and insert "**Except as otherwise provided**
- 24 **in this subsection, a**".
- 25 Page 6, line 25, delete "retires" and insert "**retired**".
- 26 Page 6, line 33, delete "If" and insert "**Except as otherwise**
- 27 **provided in this subsection, if**".
- 28 Page 7, line 25, delete "A" and insert "**Except as otherwise**
- 29 **provided in this subsection, a**".
- 30 Page 8, line 2, delete "retires" and insert "**retired**".
- 31 Page 12, line 12, delete "becomes" and insert "**became**".
- 32 Page 13, line 6, delete "the local board" and insert "**under this**
- 33 **section and a recommendation under section 12.5 of this chapter,**
- 34 **the 1977 fund advisory committee**".
- 35 Page 14, line 1, delete "the local board" and insert "**under this**
- 36 **section and a recommendation under section 12.5 of this chapter,**
- 37 **the 1977 fund advisory committee**".
- 38 Page 18, line 10, after 1988, insert "**except as otherwise provided**

1 in this clause,".

2 Page 22, line 35, delete "finding of" and insert "**recommendation**
3 **to the 1977 fund advisory committee concerning**".

4 Page 22, line 41, delete "finding" and insert "**recommendation**".

5 Page 23, line 2, delete "finding" and insert "**recommendation**".

6 Page 23, line 3, delete "findings" and insert "**recommendation**".

7 Page 23, line 16, delete "finding" and insert "**recommendation**".

8 Page 25, line 37, delete "becomes" and insert "**became**".

9 Page 29, line 6, delete "finding of" and insert "**recommendation to**
10 **the 1977 fund advisory committee concerning**".

11 Page 29, line 12, delete "finding" and insert "**recommendation**".

12 Page 29, line 15, delete "finding" and insert "**recommendation**".

13 Page 29, line 16, delete "findings" and insert "**recommendation**".

14 Page 29, line 29, delete "finding" and insert "**recommendation**".

15 Page 31, line 4, delete "The" and insert "**Except as otherwise**
16 **provided in this subsection, the**".

17 Page 40, line 25, delete "determination of" and insert
18 "**recommendation to the 1977 fund advisory committee**
19 **concerning**".

20 Page 40, line 28, delete "A fund member may appeal the local
21 board's" and insert "**The local board shall forward its**
22 **recommendation to the 1977 fund advisory committee.**

23 (r) The 1977 fund advisory committee shall review the local
24 board's recommendation not later than forty-five (45) days after
25 receiving the recommendation and shall then issue an initial
26 determination of whether the disability is in the line of duty or not
27 in the line of duty. The 1977 fund advisory committee shall notify
28 the local board, the safety board, and the fund member of its initial
29 determination.

30 (s) The fund member, the safety board, or the local board may
31 object in writing to the 1977 fund advisory committee's initial
32 determination under subsection (r) not later than fifteen (15) days
33 after the initial determination is issued. If a written objection is not
34 filed, the 1977 fund advisory committee's initial determination
35 becomes final. If a timely written objection is filed, the 1977 fund
36 advisory committee shall issue a final determination after a
37 hearing. The final determination must be issued not later than one
38 hundred eighty (180) days after the date of receipt of the local

- 1 **board's recommendation."**
- 2 Page 40, delete lines 29 through 40.
- 3 Page 41, line 8, delete "becomes" and insert "**became**".
- 4 Page 41, line 20, delete "A" and insert "**Except as otherwise**
- 5 **provided in this subsection, a**".
- 6 Page 42, line 18, delete "A" and insert "**Except as otherwise**
- 7 **provided in this subsection, a**".
- 8 Page 43, delete lines 7 through 36.
- 9 Page 44, line 2, delete "Each" and insert "**Except as otherwise**
- 10 **provided in this subsection, each**".
- 11 Page 44, line 41, delete "If" and insert "**Except as otherwise**
- 12 **provided in this subsection, if**".
- 13 Page 45, line 13, delete "If" and insert "**Except as otherwise**
- 14 **provided in this subsection, if**".
- 15 Renumber all SECTIONS consecutively.
(Reference is to SB 62 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

Senator Harrison, Chairperson